

25X1

To:

From:

June 6, 1957  
DRS:AR:abg

Subject: Draft Language for CIA Bill

Attached are three separate drafts of language for possible inclusion in the CIA draft bill. None of these drafts has been cleared with the Commission.

I personally favor Draft A as a means of solving the general and recurrent problem of retirement benefits for overseas employees.

If the Draft A idea is not accepted, Draft B is in conformance with the Administration position on the U.S.I.A. problem which is similar. Draft B puts CIA on a par with Foreign Service but without writing a discriminatory provision into the Civil Service Retirement Act.

Draft C violates good retirement principles in that it places a premium on service for a particular agency. I will feel obliged to advise the Commission that it would not make for good law.

OGC Has Reviewed

Draft A

Language for Insertion in CIA Draft Bill

Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'overseas career employee' shall mean an employee who is a citizen of the United States who has completed at least ten years of civilian service in a foreign country and who has, within the six-year period immediately preceding separation, completed at least two years of civilian service in a foreign country during which he was subject to this Act."

Section 6 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(g) Any overseas career employee who attains the age of fifty years and completes twenty years of service may, if the head of his agency approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9."

Section 9(e) of the Civil Service Retirement Act is amended by inserting after the figure "6(c)" the words "or 6(g)".

Draft C

Language for Insertion in CIA Draft Bill

Section 6 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(g) Any employee of the Central Intelligence Agency who (1) is a citizen of the United States, (2) has had at least ten years of service in a foreign country or in the Trust Territories of the Pacific, of which at least two years have been within the six-year period immediately preceding separation, (3) has been an employee of the Central Intelligence Agency during at least five years of such service, and (4) attains the age of fifty years and completes twenty years of service, may, if the head of his agency approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9."

Section 9(e) of the Civil Service Retirement Act is amended by inserting after the figure "6(c)" the words "or 6(g)".

Draft B

Language for Insertion in CIA Draft Bill

The Director shall establish and administer an independent retirement and disability system for employees of the Central Intelligence Agency in accordance with the provisions of the Foreign Service Act.

(6/24/57)

Ed Lyerly of State Department, Legal Advisor's Office, states that Foreign Service Local employees who have permanent appointments or appointments of indefinite duration are covered under Civil Service Retirement. Temporary or part-time employees have no coverage. State also has authority by the Appropriations Act to hire local employees under contract.

In regard to proposed legislation covering employment of foreign nationals some people in State advocate language giving the Secretary an election whether to put FSL under Civil Service or under the local retirement system. His office has not been working on this problem recently—Probably because the proposed legislation has not reached the stage where enactment at an early date is likely.

I FSM IV, 980, 917.1

21 March 1957

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, as amended (63 Stat. 208, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

"Section 3. In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities of the Armed Services Procurement Act of 1947, approved February 19, 1948, as amended (10 U.S.C. 2301-2314).

SECTION 2. Section 5 of such Act is amended to read as follows:

"Section 5. (a) Under such regulations as the Director may prescribe, the Agency may--

(1) utilize the authorities in Sections 901, 911, 912, 913, 933, 941, 942 and 943 of the Foreign Service Act of 1946, as amended, or as it may hereafter be amended: Provided, That the provisions of Sections 901, 912, 941 and 942 may be utilized only in respect to officers and employees assigned outside the continental United States, its

5

Section shall not be reduced under the provisions of Section  
9(d) of the Civil Service Retirement Act."

CIA/ LEGISLATION SUBMITTED  
TO BUREAU OF BUDGET  
IN DEC. 1956

(AND RELATED MATERIALS  
AND COMMENTS)



Executive Registry

8-8756

15 November 1956

Memorandum for The Director

Subject: CIA Career Legislation

1. This memorandum contains a recommendation submitted for DCI approval. Such recommendation is contained in paragraph 4.
2. Attached hereto is a draft of legislation which we propose to submit to the Budget Bureau for clearance. It is similar in most respects to the legislation which was introduced in the Congress last session, and includes provisions for quarters allowances, medical benefits, the storage of household goods, and a number of other benefits for our employees overseas. It also contains a few technical amendments and proposed language to facilitate Agency procurement and contracting.
3. We have added a new section providing for a system of accelerated retirement for overseas service. Under our proposal, an employee is given one and one-half years of retirement credit for each year of service abroad, and two years of retirement credit for each year abroad at an unhealthful post. In order to retire voluntarily and to receive benefits, Agency employees must be at least 50 years of age, have 20 years of service, and have the approval of the Director. This latter provision was inserted in an effort to go some distance in the direction of a Budget Bureau contention that we should pattern our system after the system in effect for Foreign Service and FBI investigative officers.

We anticipate that our accelerated retirement proposals will run into difficulty with the Budget Bureau this year, as they did last year. In the event that an impasse is reached, the matter may have to be taken up directly with Mr. Brundage. At this stage, however, we consider it advisable to submit the proposals and elicit specific comments from the Budget Bureau examiners before any direct approach is made to the Bureau Director.

4. It is recommended that the Director approve the submission of the attached legislative proposals to the Bureau of the Budget. We plan to keep the heat on the Bureau examiners and to insure that a decision is reached in time for a submission early in the forthcoming congressional session.

SIGNED

Norman S. Paul  
Legislative Counsel

The recommendation in paragraph 4 is approved.

SIGNED

Allen W. Dulles

Director

10 DEC 1956

CONCUR

Date

Inspector General

General Counsel

Deputy Director (Support)

cc - DDCI

IG:LC:NSPaul/blc (14 Nov.)

Orig. & 1 - Add.

1 - IG

1 - OGC

1 - DD/S

2 - Signer

DDCI

21 Nov '56

16 November 1956

Memorandum for: The Director

Subject: CIA Career Legislation

1. This memorandum contains a recommendation submitted for DCI approval. Such recommendation is contained in paragraph 5.

2. Attached hereto is a draft of legislation which we propose to submit to the Budget Bureau for clearance. It is similar in most respects to the legislation which was introduced in the Congress last session, and includes provisions for quarters allowances, medical benefits, the storage of household goods, and a number of other benefits for our employees overseas. It also contains a few technical amendments and proposed language to facilitate Agency procurement and contracting.

3. The only substantive deletion from last year's legislation is the elimination of a section raising the ceiling on employment of retired military officers from 15 to 35. This proposal was approved by the Budget Bureau last year and was included in our bill as introduced in the Congress. We were informally notified by the House Committee, however, that there would be considerable opposition to this provision unless we had an exceptionally good case for it. In the light of this comment, the CIA Career Council has reviewed the need for such a provision, and has concluded that we cannot make a strong case for it, and accordingly it has been deleted.

4. We have added a new section providing for a system of accelerated retirement for overseas service. Under our proposal, an employee is given one and one-half years of retirement credit for each year of service abroad, and two years of retirement credit for each year abroad at an unhealthful post. In order to retire voluntarily and to receive benefits, Agency employees must be at least 50 years of age, have 20 years of service, and have the approval of the Director. This latter provision was inserted in an effort to go some distance in the direction of a Budget Bureau contention that we should pattern our system after the system in effect for Foreign Service and FBI investigative officers.

10 DEC 1956

Mr. Roger W. Jones

Assistant Director for Legislative Reference

Bureau of the Budget

Washington 25, D. C.

Dear Mr. Jones:

In accordance with Bureau of the Budget Circular A-19, there are attached hereto four copies of a proposed bill "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes." This bill is forwarded to the Bureau of the Budget for clearance and for approval of its submission to the Congress at the earliest possible time in the forthcoming session. Also attached hereto are copies of a sectional analysis of the proposed bill.

You will recall that a similar bill was submitted to the Bureau of the Budget on 19 December 1955, and was approved, with modifications, by the Bureau on 2 April 1956. On 13 April 1956 the bill, as approved by the Bureau, was submitted to the Congress. The bill was introduced in the House (H. R. 10682) by Mr. Carl Vinson, and was referred to the House Armed Services Committee. It was introduced on 15 May in the Senate (S. 3851) by Senators Russell and Saltonstall, and was referred to the Senate Armed Services Committee. Due to the pressure of other business before these Committees, we were informed that it would be impossible for the Congress to act on this legislation during the 2nd session of the 84th Congress. We were also informally notified, however, that if similar legislation were introduced at a sufficiently early stage of the next Congress, it would be considered.

The attached bill is similar to the proposed legislation approved by the Bureau of the Budget last year, with the exceptions noted below. On the assumption that the provisions approved last year will not be subject to further detailed review, I will deal in this letter with only those parts of the bill which represent a change in last year's proposals, or which involve the deletion or addition of new sections.

Section 1 of the bill contains a definition of the term "abroad."

You will recall that last year this Agency submitted to the Bureau of the Budget a proposed amendment which would provide a system of accelerated retirement for individuals who have served abroad with CIA. These proposals, to which this Agency attached great importance, were discussed in detail with representatives of the Bureau of the Budget and the office of Presidential Adviser on Personnel Management. The Bureau was unwilling to accept our proposals, and in the absence of an acceptable alternative, we deleted any reference to accelerated retirement in the proposals submitted to the last Congress.

This year we are again proposing accelerated retirement provisions in Section 6 of the attached bill, and we strongly urge sympathetic and favorable consideration of them. Briefly, the section provides for one and a half years of retirement credit for each year abroad, and two years of retirement credit for each year abroad at an unhealthful post. These provisions are related directly to the provisions of the Civil Service Retirement law insofar as actual benefits are concerned. In order to retire voluntarily, Agency employees, like Foreign Service and Investigative Officers, must be at least 50 years of age, have 20 years of service and have the approval of the Director. However, these are minimum requirements and actual eligibility is dependent upon the extra credit earned for service overseas and at unhealthful posts. The acceleration provisions also apply in cases of involuntary retirement, which are covered under the Civil Service Retirement Act.

Under existing legislation, systems of accelerated retirement are in effect for Foreign Service Officers and Investigative Officers of the Federal Bureau of Investigation. Accelerated retirement, patterned after the Foreign Service, was also authorized for United States Information Officers in a bill (S. 3638) which passed the Senate during the last session of the Congress. For reasons which we are prepared to express in detail to the Bureau of the Budget, it is impossible for the Central Intelligence Agency to set up a class of personnel within the Agency, similar to the Foreign Service, for whom overseas benefits should apply. We have tried, however, to devise a system comparable to the Foreign Service, and yet designed to meet our unique requirements.

A brief explanation of the retirement section and its objective is contained in the attached sectional analysis. We are most anxious, however, to meet with representatives of the Bureau of the Budget at your early convenience to discuss these proposals in detail. In our opinion, they are of the greatest importance to the morale and effectiveness of this Agency.

Sincerely yours,

**Attachments**

1. CIA Bill (4 copies)
2. Sectional Analysis (4 copies)

SIGNED

Norman S. Paul

Mr. Roger W. Jones, Bureau of the Budget

CONCURRENCES:

SIGNED  
Inspector General

15 NOV 1956

Date

SIGNED  
General Counsel

15 NOV 1956

Date

SIGNED  
Deputy Director (Support)

16 NOV 1956

Date

IG:LC/ESP:fm (14 Nov 56)

Distribution:

O & B - Addressee

1 - DCI w/ attach

1 - DDCI w/ attach

2 - DB/S w/ attach

1 - OGC w/ attach ✓

1 - Personnel [redacted] w/ attach

1 - Comptroller w/ attach

2 - Leg. Counsel w/ attach

MEMORANDUM FOR: Legislative Counsel

SUBJECT : Civil Service Commission Comments  
on Proposed CIA Legislation

1. I have reviewed the comments made by Mr. Young in his letter to Mr. Roger W. Jones of the Bureau of the Budget concerning our proposed legislation. The following paragraphs attempt to set forth the proposals in which the Civil Service Commission concurs, at least as a matter of policy and those to which they seem to take no objection and discusses their objections to certain other proposals.

2. The Civil Service Commission expresses policy approval of the following objectives:

- (a) A definition of the word "abroad" to include the Trust Territories as well as foreign areas (CSC qualifies its comment by indicating that this definition may be too narrow in some instances. However, comments on particular provisions of Section 5, as it would be amended, confuse CSC's position and it is not clear whether or not they may consider inclusion of the Trust Territories unjustified in certain cases.)
- (b) Statutory Home Leave (Section (5)(c)(4))
- (c) Medical benefits for employees and dependents and travel for medical care (Section 5(d))

9. The suggestion was made that Section 5(d)(4), authorizing physical examinations and inoculations, should be extended to include applicants. This comment may be worthy of consideration inasmuch as we are already giving examinations to some applicants.

10. The Civil Service objects in principle to two sections in their entirety. These are Sections 5(f), authorizing allowances and differentials, and Section 6, authorizing special retirement benefits. The objection to Section 5(f) is one of principle going to the method rather than to the substance. It is pointed out that incorporation by reference of the pertinent sections of the Foreign Service Act, or use of the other statutes already available will give us the same allowances and differentials without moving away from the Administration's policy of consolidation of basic authorities, which should be uniform for all Government employees serving under like conditions. The disapproval of the retirement provisions is in line with comments on our legislative proposals submitted last year and was to be expected inasmuch as we have asked for even more generous terms than those which we were forced to withdraw in 1956. It seems to me, however, that the comments in the first paragraph of page 6 of Mr. Young's letter leave a clear opening for inclusion of a modified retirement proposal more generous than that available under regular Civil Service retirement. It is possible that submission of a proposal, somewhat along the present lines but including a proviso that benefits could not exceed those available to investigative employees or to Foreign Service officers, might have some chance of approval.



S-E-C-R-E-T

MEMORANDUM

FOR THE

CIA CAREER COUNCIL

40th Meeting, Thursday, 7 February 1957, 3:00 P.M.  
Room 154 Administration Building

1. CIA proposed legislation, dated 31 October 1956, previously submitted to the Bureau of the Budget; attached, for information.
2. Comments on item 1 by the Civil Service Commission to the Bureau of the Budget at the request of the latter, dated 9 January 1957; attached, for information.
3. "Estimated Annuities Under Existing and Proposed Retirement Plans;" attached, for discussion.
4. Proposed Legislation; oral presentation by Mr. Norman Paul, Legislative Counsel and Messrs.

25X1

S-E-C-R-E-T

31 October 1956

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 1 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, as amended (63 Stat. 208, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended by adding before the final period a semicolon and the following new subsection (e):

(e) "Abroad" means foreign areas, including for the purposes of this Act the Trust Territory of the Pacific Islands and bases leased by the United States in foreign areas, but excluding the Canal Zone, and the Territories and possessions of the United States.

SECTION 2. Section 3 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, as amended (63 Stat. 208, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

(a) In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c), 5, 6, 7, and 10 of the Armed Services Procurement Act of 1947, approved Feb. 19, 1948, as amended (62 Stat. 21, 41 U.S.C. 151).

(b) Contracts of the Agency for services and use of facilities for research or development may be for a term not

(b) No annuity paid under the Civil Service Retirement Act shall be reduced solely because the annuitant has retired at an age lowered in accordance with the provisions of subsection (a) of this Section. The base age provided by the Civil Service Retirement Act for computing a percentage reduction in annuities shall be reduced by the same amount as the reduction in retirement age made in accordance with subsection (a) of this Section."

SECTION 7. Section 6(f)(1) of such Act is amended by striking out "fifteen" and inserting in lieu thereof the following: "thirty-five".

ILLEGIB

Approved For Release 2003/03/06 : CIA-RDP90-00610R000100220012-0

Approved For Release 2003/03/06 : CIA-RDP90-00610R000100220012-0

Approved For Release 2003/03/06 : CIA-RDP90-00610R000100220012-0

differentials, but they were granted extra service credits of 6 months for each year of service at certain differential posts.

As proposed by CIA, its employees who serve abroad would be entitled both to any applicable post differentials and extra service credits which would double the actual time served at extremely difficult posts, and extra credits of six months for each year of service at any post abroad. With the increases in the annuity computation rates effected by P.L. 854, 81st Congress, which now provides that all service over 10 years be computed at 2%, CIA's proposal would provide for its employees abroad retirement taxes far more generous than are presently available to any other group of United States Government employees. This office cannot support such a proposal, but would suggest that CIA develop a proposal which would be more nearly comparable to the provisions applicable to investigative personnel, without provision for extra service credits unless developed along the lines now applicable to Foreign Service Officers.

Section 7 would increase from 15 to 35 the number of retired officers of the armed services who could be employed by CIA, to which this office has no objection.

Referring to our statement at the beginning of this letter, this office would again like to repeat that this legislation is contrary to the Administration's policy of consolidating existing authorities and we do not believe it should be submitted in its present form. As stated, we have prepared a suggested alternative for Section 5 of the CIA Act, which is attached, which we believe would accomplish the same purpose aimed at by the agency. It has the advantage of utilizing existing statutes as the basis for the agency's authorities and would automatically be amended as such existing authorities are amended or replaced by other legislation without the need to amend the CIA Act itself. We would like to suggest that CIA give serious consideration to language along these lines for Section 5 of their Act.

Sincerely,

Mr. Roger W. Jones  
Assistant Director for Legislative Reference  
Executive Office of the President  
Bureau of the Budget  
Washington, D. C.

Attachment

Approved For Release 2003/03/06 : CIA-RDP90-00610R000100220012-0

EB:lgh

T.D. 1-9-56

ILLEGIB

with and to the extent practicable similar to regulations issued by the agency having regulatory authority under the basic statute cited:

(1) granting allowances to officers and employees assigned outside the continental United States, its Territories and possessions, in accordance with the provisions of Sec. 901 of the Foreign Service Act of 1946, as amended, or as it may hereafter be amended;

(2) payment of travel, transportation, and storage expenses in accordance with the provisions of Sec. 911 of the Foreign Service Act of 1946, as amended, or as it may hereafter be amended, including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of Sec. 5(a)(3);

(3) order round trip travel of officers and employees and their dependents, upon completion of two years' continuous service outside the continental United States or as soon thereafter as possible, from posts of assignment outside the continental United States to the places of their actual residence at the time of appointment or transfer to such posts, for purposes of taking leave prior to serving another tour of duty in the same or some other post outside the continental United States; and the time actually and necessarily occupied in going to and from the place of residence named in the order covering travel, and such time as may be necessary for the purpose of taking leave;

(9) pay the costs of travel of new appointees and their dependents, and the transportation of their household goods and personal effects, from places of actual residence in foreign countries at time of appointment to places of employment and return to their actual residences at the time of appointment or a point not more distant: Provided, That such appointees agree in writing to remain with the United States Government for a period of not less than twelve months from the time of appointment. Violation of such agreement for personal convenience of an employee or because of separation for misconduct will bar such return payments and, if determined by the Director or his designee to be in the best interests of the United States, any money expended by the United States on account of such travel and transportation shall be considered as a debt due by the individual concerned to the United States.

5 (b) In administering the authorities provided under Section 5(a) of this Act, the Director may designate individual employees or groups of employees who are foreign nationals and who, by reason of employment by the Agency in certain specified positions outside the continental United States, shall be granted any or all of the benefits and privileges covered under Sec. 5(a) without regard to the provisions of any other laws which restrict the payment or granting of such benefits and privileges to employees of the United States Government who are citizens of the United States.

4 February 1957

ESTIMATED ANNUITIES UNDER EXISTING AND PROPOSED RETIREMENT PLANS  
At Ages 50, 55, and 60; for Various Combinations of Hq. and O/S Service;  
and for Average 5 Year-High Salary Levels at GS-7, 11, 14, and 17

SAMPLE SITUATIONS varied by 1. Retirement ages (50, 55, and 60); 2. Combinations of total actual ser- vice (20, 27, 30, and 36) including overseas service (6, 8, and 10); 3. Average 5-year high salaries (GS-7, 11, 14, and 17).	Foreign Service	Civil Service	CIA Plan October 56	CIA Proposal Feb 57
	Basic Formula Min. Age 50 Min. Service 20 2% per year of original "high-5" 70% limitation	Basic Formula 1 1/2% first 5 1 3/4% second 5 2% all after 10 80% limitation	Basic Formula Min. Age 50 Min. Service 20 1 1/2% for each year overseas	Basic Formula Min. Age 50 Min. Service 20 1 1/2% for overseas after 5
	A No Accelerated credit for service at unhealthful posts (see Note A)	B Re Invol. retirea. Law-enforce. retire and retire. for age (see Note B)	C 3 Reduction only for difference between age 60 and credited age	D No reduction for age
I Age 50 Actual Service 30 (incl 6 overseas) \$ 4,500 6,300 10,000 14,000	\$ 1800 2520 4000 5600	Voluntary Retirement Not Possible	Voluntary Retirement Not Possible	\$ 1689 2347 3725 5215
II Age 55 Actual Service 27 (incl 6 overseas) \$ 4,500 6,300 10,000 14,000	\$ 2430 3402 5400 7560	Voluntary Retirement Not Possible	\$ 2610 3636 5772 8080	\$ 2409 3355 5325 7455
III Age 60 Actual Service 30 (incl 10 overseas) \$ 4,500 6,300 10,000 14,000	\$ 2700 3780 6000 8400	\$ 2819 3970 5348 7488	\$ 2994 4174 6625 9080	\$ 2769 3859 6125 8575



CIA INTERNAL USE ONLY

4 February 1957

	A	B	C	D
IV Age 60 Actual Service 27 (incl 6 overseas) \$ 4,500 6,300 10,000 14,000	\$ 2430 3402 5400 7560	Voluntary Retirement Not Possible	\$ 2544 3544 5625 7875	\$ 2319 3229 5125 7175
V Age 60 Actual Service 30 (incl 8 overseas) \$ 4,500 6,300 10,000 14,000	\$ 2700 3780 6000 8400	\$ 2544 3544 5625 7875	\$ 2904 4048 6425 8995	\$ 2679 3733 5925 8295
VI Age 60 Actual Service 35 (incl 10 overseas) \$ 4,500 6,300 10,000 14,000	\$ 3150 4410 7000 9800	\$ 2994 4174 6625 9275	\$ 3444 4804 7625 10675	\$ 3219 4489 7125 9975

CIA INTERNAL USE ONLY

NOTE A. FOREIGN SERVICE

1. Retirement in the Foreign Service is by permission of the Secretary of State.
2. Foreign Service Officers deposit in the retirement fund 5% of their salary.
3. The Secretary of State is authorized to declare certain posts unhealthy (not hardship)(see attached list). A Foreign Service Officer may receive, for each year of service at an unhealthy post, one half year extra credit (or one percentage point) towards his eventual annuity. The annuity of a \$10,000-a-year FSO retiring with 4 years at an unhealthy post is thus augmented by \$400 a year. To receive this, however, he must have waived at the beginning of his tour the post differential, if any.
4. The Secretary of State is authorized to establish post differentials at certain posts to compensate for remoteness, living conditions, etc., by which base salaries are augmented by 5, 10, 15, 20 or 25%. Thus 4 years of service at a 25% differential post is equal to one extra year's base salary.
5. A \$10,000-a-year FSO, in contemplating 4 years service at unhealthy posts which have 25% post differentials, has to choose between \$400 a year extra annuity when he retires, or \$10,000 cash within the next 4 years. In practice he most often chooses the latter presumably on the theory that \$10,000 cash in hand is more desirable than \$400 a year additional income many years in the future.
6. For this reason the unhealthy post provision of the Foreign Service Act is largely ineffective.

S-E-C-R-E-T

**Unhealthful Posts and Post Differentials  
as Determined by the Secretary of State**

1. All posts currently classified "unhealthful" have a post differential. Many differential posts are not classified as "unhealthful." For example: Moscow is not "unhealthful" but it has a post differential of 25%.
2. The following list of "unhealthful" posts, in many of which CIA might have an interest, has been compiled in order to show how much cash in hand (differential x base salary) must be waived in order to gain  $1\frac{1}{2}$  years credit towards an annuity for each year of service at an unhealthful post. This list is excerpted from the Department of State list, effective September 1956.

<u>UNHEALTHFUL POST</u>	<u>DIFFERENTIAL APPLICABLE</u>	<u>UNHEALTHFUL POST</u>	<u>DIFFERENTIAL APPLICABLE</u>
Accra, Gold Coast	20%	La Paz, Bolivia	20%
Addis Ababa, Ethiopia	25%	Leopoldville, Belgian Congo	15%
Amman, Jordan	20%	Luanda, Angola	15%
Asunción, Paraguay	15%	Managua, Nicaragua	20%
Baghdad, Iraq	15%	Manila, Philippines	15%
Bangkok, Thailand	20%	Mashed, Iran	20%
Bombay, India	10%	Monrovia, Liberia	25%
Calcutta, India	15%	New Delhi, India	15%
Colombo, Ceylon	15%	Phnom Penh, Cambodia	25%
Dacca, Pakistan	25%	Port-au-Prince, Haiti	10%
Dakar, FW Africa	15%	Quito, Ecuador	15%
Dar-es-Salaam, Tanganyika	20%	Rangoon, Burma	20%
Dhahran, Saudi Arabia	20%	Saigon, Vietnam	20%
Djakarta, Indonesia	20%	Seoul, Korea	25%
Guayaquil, Ecuador	15%	Surabaya, Indonesia	20%
Jidda, Saudi Arabia	25%	Tabriz, Iran	20%
Kabul, Afghanistan	25%	Taipei, Taiwan, China	20%
Karachi, Pakistan	20%	Tampico, Mexico	15%
Khartoum, Anglo-Egyptian	25%	Tehran, Iran	15%
Khorramshahr, Iran	25%	Veracruz, Mexico	15%
Lagos, Nigeria	20%	Vientiane, Laos	25%
Lahore, Pakistan	20%		

S-E-C-R-E-T

4:30

Note B CIVIL SERVICE RETIREMENT (P.L. 854 eff. 1 Oct. 1966)

1. Agency employees deposit in the retirement fund 6 $\frac{1}{2}$ % of their salary.
2. Retirement is mandatory only at age 70 if individual has completed 15 years of service (5 of which are civilian).
3. Voluntary retirement can occur at age 55 and after as follows: Age 62 with 5 years civilian service; Age 55 to 60 with 30 years service (5 civilian) on a reduced annuity (see paragraph 5).
4. An individual may receive an immediate annuity if he is involuntarily separated at age 50 after 20 years service (5 of which must be civilian). To be eligible for the immediate annuity, the involuntary separation may not be effected on charges of misconduct or delinquency but may be effected as a result of such conditions as reduction in force, lack of funds, inefficiency, disability, failure to qualify during probation, etc.
5. In the case of voluntary retirement prior to age 60 or involuntary retirement, the immediate annuity is reduced by 1% for each year under 60 between 60 and 55 and 2% for each year under 55. Thus a person involuntarily separated at age 50 would be entitled to an immediate annuity reduced by 15%.
6. A special provision, very similar to the basic formula for the Foreign Service, is available for law-enforcement employees as follows:
  - a. Age 50 or over
  - b. 20 years in law-enforcement work
  - c. At least 1 year immediately preceding retirement in a position whose duties entail primarily the investigation, apprehension or detection of persons suspected or convicted of offenses against the criminal laws of the U.S.
  - d. Recommendation by Agency Head.
  - e. Individual statement of hazard by Agency Head.
  - f. Approval by Civil Service Commission.

A BILL

February 1957

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 5 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 30, 1949, as amended (63 Stat. 208, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

Section 5. (a) Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned outside the continental United States, may---

- (1) utilize the authorities in Sections 901, 911, 912, 913, 933, 941, 942 and 943 of the Foreign Service Act of 1949, as amended, or as it may hereafter be amended:

Provided, That the provisions of Sections 901, 912, and 913 may be utilized only in respect to officers and employees assigned to foreign areas and the Trust Territory of the Pacific Islands;

- (2) pay the costs of travel of new appointees and their dependents, and the transportation of their household goods and personal effects, from places of actual residence in foreign countries at time of appointment to places of employment and return to their actual residences at the time of appointment or a point not more distant:

Provided, That such appointees agree in writing to remain

A BILL

February 1949

To amend the Central Intelligence Agency Act of 1949, as amended, for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 5 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 30, 1949, as amended (63 Stat. 209, 50 U.S.C. 403a) (herein after referred to as "such Act"), is amended to read as follows:

Section 5. (a) Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned outside the continental United States, may---

- (1) utilize the authorities in Sections 901, 911, 912, 913, 933, 941, 942 and 943 of the Foreign Service Act of 1949, as amended, or as it may hereafter be amended:

Provided, That the provisions of Sections 901, 912, and 913 may be utilized only in respect to officers and employees assigned to foreign areas and the Trust Territory of the Pacific Islands;

- (2) pay the costs of travel of new appointees and their dependents, and the transportation of their household goods and personal effects, from places of actual residence in foreign countries at time of appointment to places of employment and return to their actual residences at the time of appointment or a point not more distant:

Provided, That such appointees agree in writing to resign

each year of Agency service in excess of five, outside the continental limits of the United States, shall be credited as one and one half years of service. Such additional credits shall be granted proportionately for fractional years of service:

Provided, That no annuity paid under the Civil Service Retirement Act shall be reduced solely because the annuitant has retired at an age lowered in accordance with the provisions of this Section.

31 OCT 1956

SECTIONAL ANALYSIS OF A PROPOSED BILL  
TO AMEND THE CENTRAL INTELLIGENCE AGENCY  
ACT OF 1949, AS AMENDED, AND FOR OTHER PURPOSES

SECTION 1.

Under Section 5(a) of the Central Intelligence Agency Act of 1949 the Agency is authorized to pay travel expenses, allowances, and related expenses of employees stationed outside the continental United States, its territories and possessions. The amendment proposed here will extend this authority to include employees stationed in the Trust Territory of the Pacific Islands by including that area in the definition of "abroad" as used in the Act. Living conditions in that area are such as to equate it in fact to certain foreign areas with undersirable living conditions. In this connection, it is noted that coverage of the Trust Territory of the Pacific was included in the proposed Foreign Areas Allowances Act of 1956 (S. 4186) and the proposed Overseas Health and Medical Services Act of 1956 (H. R. 12193). Both of these bills were supported by the Administration and were introduced during the second session of the 84th Congress, although too late to permit Congressional action.

SECTION 2.

Under Section 3(a) of the Central Intelligence Agency Act of 1949



SECTION 7.

This proposed amendment would raise from 15 to 35 the number of retired officers of the armed services employable by CIA, whose employment by the Federal Government would be otherwise barred by other statutory limitations on the employment of such officers. It was pointed out in the report of the Clark Task Force of the Hoover Commission, and this Agency concurs in its conclusion, that increased use should be made, if possible, of the talents of retired military officers whose ability and experience fit them for the types of work done by this Agency.

21 March 1957

SECTIONAL ANALYSIS OF A PROPOSED BILL  
TO AMEND THE CENTRAL INTELLIGENCE AGENCY  
ACT OF 1949, AS AMENDED, AND FOR OTHER PURPOSES

SECTION 1.

Under Section 3(a) of the Central Intelligence Agency Act of 1949 the Agency is authorized to exercise certain procurement authorities contained in the Armed Services Procurement Act of 1947. The specific sections of the Armed Services Procurement Act, the authorities of which CIA was authorized to exercise, were incorporated by reference in Section 3(a) of the CIA Act of 1949. Since passage of the CIA Act, additional functions have been assigned to the Agency. This, and added experience, indicate the need to exercise other authorities contained in the Armed Services Procurement Act of 1947.

Under Section 2(c) of the Procurement Act, the Armed Services may negotiate purchases and contracts without advertising in seventeen listed circumstances. The Agency is now authorized by Section 3(a) of the CIA Act to negotiate in ten of these circumstances. It is requested that the remaining negotiation authorities of Section 2(c) be given this Agency.

The Agency has substantial and vitally necessary programs in fields where research and development, standardization of equipment and provision of new or stand-by production facilities are necessities.

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amount of annuity is provided, not as a special reward for the type of service involved, but rather because a more liberal formula is usually necessary to make the earlier retirement, with resultant shorter service, economically feasible.

Approved For Release 2003/03/06 : CIA-RDP90-00610R000100220012-0  
Comparison Table of Existing Law and Proposed CIA Amendments  
(New material underlined. Deleted material lined out.)

*Master Copy*

7 September 1955

PROPOSED AMENDMENT

Section 1. The first sentence of Section 5(a) of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, (63 Stat. 209; 50 U.S.C. 403e), (hereinafter referred to as "such Act"), is amended by striking out "its territories, and possessions,".

Section 2. Section 5(a)(1) of such Act is amended by inserting a semicolon in lieu of the period at the end of Section 5(a)(1)(F) and inserting a new subsection "(G)" which shall read as follows:

"(G) pay the travel expenses incurred by an officer or employee of the Agency who is assigned to a post outside the continental United States, in transporting dependents to and from United States ports of entry designated by the Agency, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education."

EXISTING LAW

Section 5. (a). Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to permanent-duty stations outside the continental United States, ~~its territories, and possessions,~~ shall -----  
(CIA Act of 1949)

Section 911. The Secretary may, under such regulations as he shall prescribe, pay \_\_\_\_\_  
. . . . (9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.  
(Added to Section 911 of the Foreign Service Act of 1946 by Section 11 of the Foreign Service Act Amendments of 1955.)

PROPOSED AMENDMENT

Add Sec. 13

Section 13. Section 10(a)(1) of such Act is amended by inserting  
"Chapter 171 of" immediately before "28 U. S. C. ".

EXISTING LAW

Department of Defense, (1) to payments made in compliance with  
the laws of foreign countries or their ministerial regulations,  
(2) to payments for rent in such countries for such periods as may  
be necessary to accord with local custom, or (3) to payments made  
for tuition.

Section 10. (a) Notwithstanding any other provisions of law, sums  
made available to the Agency by appropriation or otherwise may be  
expended for purposes necessary to carry out its functions,  
including --

(1) ..... Payment of claims pursuant to Chapter 171 of  
28 U. S. C.; .....  
(CIA Act of 1949, with proposed amendment underlined.)

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Executive Secretary  
CIA Career Council

RB

NO.

207-0182

DATE

TO: (Officer designation, room number, and building)

DATE

REC'D

FWD'D

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Mr. Houston  
221 East

2. Attached is the Agenda for the  
40th Meeting of the CIA Career  
Council to be held at 3:00 p.m.,  
Thursday, 7 February 1957 in  
Room 154, Admin.

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2/5/57  
JER